

Abstract

Franchise agreements in the business sector are recognized globally with Indonesia experiencing significant growth in the industry. The expansion of franchise businesses in the trading and service sectors is due to the benefits offered to both the franchisor and franchisee. In practice, the agreements are a standard category contract but when conducting business, franchisors often have greater bargaining power than the franchisees. Regulations on franchise operations have been established in Indonesia through Government Regulation Number 42 of 2007 Regarding Franchises and Minister of Trade Regulation Number 71 of 2019 Regarding the Implementation of Franchises but there were weaknesses in the articles that do not provide legal certainty and protection for the parties. Therefore, this research aimed to provide legal certainty and protection, fostering dignified justice for all parties. Reconstructing Article 8 of Government Regulation Number 42 of 2007 Regarding Franchises was necessary, particularly the term "continuous" which can be interpreted in multiple manners and can lead to legal conflicts. The research adopted a normative juridical method that uses secondary data in the form of laws and regulations relevant to the problems. The findings indicated that the term "continuous" should be removed from the Constitution to provide franchisors with a clear period for guiding the form of training, operational management, marketing, research, and development to franchisees at least once a year.

Keywords: reconstruction, franchise agreements, legal protection, dignified justice.